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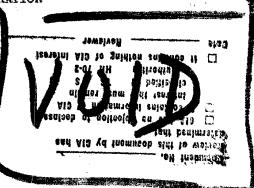
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FOREIGN OPERATIONS ADMINISTRATION

Washington 25, D. C.

Movember 4, 1953

Dr. Otto E. Guthe Assistant Director, Research and Reports Central Intelligence Agency 2430 E. Street, N.W. Washington, D. C.



Dear Dr. Guthe:

1. During his recent visit to Washington, Mr. Sidney Jacque, the U.S. Delegate to COOM, expressed a need for statistical estimates of diversions to the Soviet Bloc. He proposed to use these estimates as arguments to persuade the representatives of the United Kingdom, France, and, within the limitations of security, other COCOM countries, to agree to new economic defense controls (transit trade controls, in particular) and the more effective enforcement of existing controls, especially organizational arrangements and procedures for international consultation and action on diversion cases.

2. It is understood that the form in which these estimates are presented will necessarily depend in part on the information available and on security considerations. If practicable, however, the estimates should include:

a. Quantities and values of selected strategic commodities believed to have been diverted during the recent past - e.g., in 1951 and 1952. (The following are examples of suitable commodities: copper, bearings, aluminum, iron and steel, scrap, molybdenum, nickel, and ferro-alloys.)

The ratio or percentage of the diverted quentities and values of these commodities to total bloc imports during the same period.

The ratio or percentage of the diverted quantities and values of these commodities to total bloc consumption during the same period.

Decument No. S Review of this document by CIA has determined that

SIA has no objection to declass D. it contains information of CIA interest that must remain classified at TS S C Actority: HR 18-2

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- d. The COCOM countries involved (as countries of origin or diversion) and the extent of involvement of each.
- e. Minimum, maximum and "best guess" estimates of the quantities, values and percentages (as above) of all primary strategic commodities diverted during the
 period under study.
- 3. I should like to emphasize the urgency and importance of this request. In order to be of maximum value, the requested intelligence should be received by this Office not later than November 20, 1953.

Sincerely yours,

/s/ W. S. DeLany
Deputy Director
Mutual Defense Assistance Control